

CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

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Soviet Oil Administration (SMV)

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SMV Purchasing Office

1. Kusin, Director of the SMV Purchasing Office, is planning to hire a number of new buyers who specialize in procurement of certain commodities. The first of these buyers, a Soviet national who has the reputation of being a foreign trade specialist, was assigned by SMV Headquarters to the Purchasing Office on 13 February 1950 to purchase large quantities of pipe. On this same day, USIA transferred an unidentified engineer, who is believed to have been born in Austria and to have resided in the Soviet Union for several years, to Mittelmann's former job in the SMV Purchasing Office.

SMV Purchases

2. SMV Purchasing officials have been advised that 1,000 tons of conduit pipe have arrived in Antwerp. It is rumored that the SMV cannot expedite delivery of this shipment to Austria because of current financial difficulties. Meanwhile, SMV officials at Matzen and Aderklaa are awaiting arrival of two barges loaded with 500 tons of an unspecified type of pipe from the USSR.
3. During the week of 6 February 1950, the SMV Purchasing Office made cash payments for the following purchases:

<u>Firm</u>	<u>Item Purchased</u>	<u>Payment in Schillings</u>
St. Egydyer Eisen- und Stahl- industrie G.m.b.H.	Cable and rope	50,232.00
Wiener Kabel- und Metallwerke A.G.	Cable and rope	31,997.43
Ariadne Draht- u. Kabel- werke A.G.	Cable and rope	21,263.86
USIA	Gas pipe	2,066.58
Schaeffer & Budenberg G.m.b.H.	Pressure gauges	1,740.00

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<u>Firm</u>	<u>Item Purchased</u>	<u>Payment in Schillings</u>
Juschweschtrans	Transportation charges	22,476.90
Donau Chemie A.G.	Payment on account	100,000.00
"Standard" Ges. fuer Techn. Artikel	Advance payment for fan belts (Keilriemen) ordered by Matzen	200,000.00

4. Recently, the SMV Building Section (Bau-und Montage Abteilung) purchased five rope drums from Ariadne Draht- und Kabelwerke A.G. and the SMV Drilling Office (Büro fuer Tiefbohrung) 2,600 kilograms of spring and tool steel from Schoeller-Bleckmann A.G.

SMV Refining

5. The SMV has tightened security measures at the Moosbierbaum refinery. Henceforth, prospective buyers must carry a pass signed by Kussin and be escorted by an employee of the SMV Purchasing Office in order to enter the Moosbierbaum plant.
6. The Moosbierbaum refinery recently submitted a written requisition to the SMV Purchasing Office for a total of 250 tons of sulfuric acid to be delivered within the next three months. Since this order far exceeds current requirements of Moosbierbaum, which has consumed 30 tons of sulfuric acid per month since the first of the year, it is possible that this order may provide for future allocations of this commodity to the Korneuburg refinery.
7. During the week of 6 February 1950, the SMV Purchasing Office rejected a request for sulfuric acid from the Vacuum Oil Company. The following allocations were approved:

<u>Refinery</u>	<u>Amount of Sulfuric Acid Allocated</u>
Nova-Schwechat	45 tons
Korneuburg	15 tons
Voesendorf	30 tons

Import Shipments and Other Deliveries to SMV installations

8. The following items were received at the SMV Central Warehouse in Neusiedl during the week of 6 February 1950:

398 meters of 10 3/4 inch drill pipe; 300 pair of 4 1/2 inch connecting rods (Gestängeverbinder), and 304 pair of 4 1/2 inch connecting rods, from Germany.

11 carloads of cement for drilled wells (Bohrlochzement) from K. J. Baldauf.

One carload of Diesel motors from the USSR.

38 well pumps from G. Rumpel A.G., Siebenhirten.

41 cubic meters of cut timber from Holzbauwerk Franz Havlicek.

2 tank cars of hydrochloric acid from Budapest.

9. Items delivered to other SMV installations during the same week:

2 cable drums (Trommelkabel) from Wiener Kabel-und Metallwerke A.G. to the Lobau storage area.

23 tank cars of special gasoline from the Voesendorf refinery to central tank storage depot in Neusiedl.

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3,427 kilograms of water pipe for boilers (Siederöhre) from Kontinentale Eisenhandels-gesellschaft Kern & Co. G.m.b.H. to Matzen.

1 carload of soda and one carload of caustic soda from Ebenseer Solvay-Werke to Matzen.

Muehlberg

10. The SMV is now operating 70 oil well derricks and seven drill rigs out of a total of 200 derricks and 50 drill rigs installed at Muehlberg. Early this spring all derricks and drill rigs, which are not being used at Muehlberg, will be dismantled and transferred to Matzen and Aderklaa. The current output of a single derrick in the Muehlberg fields now averages 100 to 120 tons of oil per day. During the past month three Muehlberg derricks, which are estimated to be 15 to 16 meters in height, sank and were completely submerged within a few hours.
11. Oil is shipped from this field in railroad tank cars which are loaded at the Alt Lichtenwarth railroad siding. There is a direct pipe line from Muehlberg to the SMV storage tank area in Neusiedl, but it is not known whether this line is now being used.

Aderklaa

12. In the past week two drill rigs were installed at two new wells in the Aderklaa oil field area where the SMV now has a total of 27 rigs.* These new wells are said to be more productive than Aderklaa well No. 9.

Deutsch-Wagram

13. The Soviet officer in command of an airfield two kilometers from Deutsch-Wagram has refused to permit the SMV to make exploratory drillings at this field where about 800 aircraft are now based.

Nova-Schwechat

14. The SMV building section has ordered 3,500,000 to 4,000,000 schillings worth of materials from the SMV Purchasing Office, preparatory to expanding and improving installations at Nova-Schwechat. In addition to this order, 120 tons of flanges (Flanschen) and double-T beams are scheduled for delivery by the Soviet-controlled Hungarian shipping firm to the building section at Nova-Schwechat.**

Repair and Transfer of SMV Equipment

15. The SMV has made an initial down payment of 100,000 schillings to the USIA-controlled firm, Wiener Lokomotivfabrik A.G., which is repairing two large boiler plants at Muehlberg. It is rumored that these boiler plants will be transferred to Matzen.
16. G. Rumpel A.G. is preparing to dismantle and repair two large turning lathes which are now at the SMV storage depot in Lobau. It is rumored that the lathes will be turned over to the USIA firm, J. M. Voith of St. Poelten. These lathes are said to be the largest turning lathes in Austria; each weighs a minimum of 30 tons.

Present Location of Various SMV Offices

17. Neusiedl: SMV Central Warehouse
Motor Pool No. 2
Drilling Office which was transferred from Naustrenk
Central storage tank depot branch
office of the Soviet Oil Staff

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Zistersdorf

Area: Main office of the Soviet Oil Staff
Central MVD office
Fire brigade
DEA I offices
Two training schools for foremen in
charge of drilling crews.
Branch office of G. Rumpel A.G.
Branch office of the SMV Building Section (Bau- und
Montage Abteilung)

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* Comment: the
SMV has 11 drill rigs and 18 derricks at Aderklas. 50X1-HUM

** Comment: Meszhart, Hungarian Danube shipping firm. 50X1-HUM

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